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C O N F I D E N T I A L SECTION 01 OF 04 NICOSIA 000023

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DEPARTMENT FOR EUR/SE, EUR/UBI, INR/B

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SUBJECT: FIFTH CANDIDATE ENTERS RACE, DISMISSIVE OF FEDERAL
SOLUTION

REF: NICOSIA 1006

Classified By: Charge d'Affaires Jane B. Zimmerman, Reasons 1.4 (b), (d)
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¶1. (C) SUMMARY: Ending weeks of speculation, firebrand European Parliamentarian (MEP) and former Cypriot MP Marios Matsakis announced December 28 his intention to stand as an independent candidate in the February presidential elections.

Matsakis, notorious for his anti-British and anti-Turk histrionics, put the Cyprus Problem front-and-center in his coming-out address, revealing his support for a unitary state solution or, as the next-best option, a negotiated division of the island. The heretofore favored solution model on both sides -- the bi-zonal, bi-communal federation -- "amounted to partition in disguise," he asserted dismissively. Negative feedback was swift to arrive, with DIKO, Matsakis's former party, arguing that his positions verged on national capitulation. Journalists, opinion leaders, and Embassy contacts soon began to deliberate whether the famously unpredictable Euro MP might not be seeking higher office, but instead a payoff for eventually dropping out of the campaign.

Matsakis insists he's in for the long haul, however. The key to winning the race lay in obtaining Turkish Cypriot buy-in for his two-state framework, he told us January 4, "which the European Union and the majority of Greek Cypriots already consider the only viable solution." Does the undoubtedly bright but often delusional MEP stand a chance in February? Of course not. But in a contest growing closer week-by-week, the protest vote he conceivably could tally, drawn mostly from the DIKO camp, makes Matsakis a thorn in incumbent President Tassos Papadopoulos's side. Bio information for the new presidential candidate begins in Paragraph 11. END SUMMARY.

And Matsakis Makes Five

¶2. (U) Murmuring surfaced in December that MEP Marios Matsakis was intending to join incumbent President Tassos Papadopoulos, House Speaker Dimitris Christofias, MEP Ioannis Kasoulides, and former Agriculture Minister Costas Themistocleous as candidates in Cyprus's February presidential election. A desire for revenge against Papadopoulos and his DIKO party -- who two years earlier had banished him -- allegedly underpinned Matsakis's decision to stand, as did his dislike of the preferred-by-most solution framework for the Cyprus Problem: a bi-zonal, bi-communal federation. Matsakis on December 28 announced his candidacy at an impromptu press conference, leading with his unorthodox stance on reunifying the island. "If elected, I intend to pursue negotiations with the Turkish side on a unitary Cyprus

state," he revealed. Cognizant the T/Cs likely would balk over Plan A, he offered his fall-back position, a two-state solution.

13. (U) Not surprisingly, Matsakis's comments drew immediate rebuttal. Papadopoulos limited his response to calling the MEP's positions "dangerous." AKEL spokesman Andros Kyprianou argued that, were the G/C side to seek a unitary state, the outrage in the Turkish Cypriot community "would lead us to partition with mathematical precision and with devastating consequences." Others in government claimed that Matsakis's rhetoric, while satisfying to those who favored a "them over there, us over here" solution, drastically understated the dangers of permanent partition. The harshest criticism for Matsakis came from his erstwhile colleagues in DIKO, however. In a written statement, party leaders assailed that his views verged on national capitulation. "He is ready to deliver half of Cyprus to Turkey and mortgage the other half," the missive continued. "We will not dignify them further by discussing them."

14. (SBU) Days later, however, opposition Greek-language press and the English-language daily "Cyprus Mail" expressed a differing point of view, claiming Matsakis's candidacy might actually spur long-needed CyProb debate. Cyprus's mainstream presidential candidates "prefer to deal with the no-cost politics of wishful thinking," the "Mail" wrote January 1. Matsakis, however, laid bare the reality; either Cypriots accept a reunification that entails sacrifices -- perhaps even greater than those contained in the 2004 Annan Plan -- or the sides should go their separate ways. "Politis" tabled similar arguments, asserting that only Matsakis and fellow (but pro-Annan) fringe candidate Themistocleous possessed sufficient political courage to

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speaking truthfully on the Cyprus Problem.

15. (C) Conspiracy theorists also aired their opinions on the Matsakis candidacy. He had no intention to remain in the race until the end, a number of commentators and Embassy contacts theorized, but instead sought payoffs from affected parties, mainly DIKO and Papadopoulos. Some alleged the MEP sought a "prodigal son" arrangement, whereby DIKO would re-welcome Matsakis into its ranks and support him for re-election to the Euro Parliament. Prominent "Politis" journalist Lefteris Adilinis speculated that Matsakis desired an ambassadorial or other overseas position in the RoC government. DISY Nicosia Councilwoman Eleni Loucaidou (protect) offered a more basic explanation: Matsakis needed money. He had come to her earlier to borrow over CYP 100,000 (USD 250,000) for unspecified needs. Unsuccessful in that attempt, he likely considered his last-minute candidacy -- and the threat it posed to Papadopoulos's re-election -- an easy way to obtain funds, since the President or his wealthy handlers would pay big to see him quit the race. Media reported that representatives from all the big parties, not just DIKO, had visited Matsakis and urged him to withdraw.

"I Can Win This Race"

16. (C) Matsakis eagerly accepted our request to chat January 4, and immediately dismissed the aforementioned accusations. "I am in this race until the end," he retorted. His last-second decision to stand made tactical sense; having little money and no staff, his campaign would have suffered a slow death had he announced in the spring. "But look at the impact I've made in a few short days," Matsakis boasted. "The others are worried. That's why they're coming to my door, urging me to get out. But I won't do it, because I can win in February."

17. (C) An unorthodox (at least in today's negotiating environment) solution framework, with real chances for

success, represented his most formidable weapon, Matsakis claimed. His Plan A -- the unitary state model -- was a dead letter, he acknowledged, opposed by Turkish Cypriots and the international community alike. Domestic political considerations mandated its mention, however, and only by first pursuing this best-case scenario could he float the only plausible long-term solution to the Cyprus Problem: the island's eventual partition. Greek- and Turkish Cypriots had grown accustomed to living separately and, despite their leaders' public pronouncements, had little wont for cohabitation and co-governance. As such, the federal model was doomed to fail. Turkish President Abdullah Gul had spoken accurately in observing that Cyprus was home to two separate peoples, with differing languages, religions, and outlooks, Matsakis continued. Why push them together?

18. (C) A two-page document covered with pen-and-ink edits contained the MEP's partition plan. Ninety percent of the European Parliament supported its provisions, Matsakis contended, which included the return of Famagusta (not just the fenced-off area of Varosha) and Morphou to the G/C side, the right of all refugees to return to their properties (but without voting rights in the other community), the immediate granting of member-state status to the Turkish Cypriot state, NATO membership for both sides, the quick withdrawal of Turkish and Greek security forces, and the repudiation of guarantor powers. As to the neuralgic presence of mainland Turkish "settlers" and their long-term right to reside, Matsakis sought simply to punt the issue to Brussels. "They'll know how to deal with it," he stated vaguely.

19. (C) With Europe and the G/C community on board, he needed only to win support for his framework from the Turkish Cypriot leadership. "Then I'll get on air, publicize the document -- which has backing from all the major players -- and the electorate will see that I can produce results. I'll win," he argued, his straight face seemingly proof he believed what he professed. Acquiring said T/C buy-in looked difficult only because he lacked freedom of movement north of the Green Line, a by-product of his Buffer Zone flag-stealing antics. Matsakis called Talat "a good friend" whom he had met outside Cyprus numerous times; he also enjoyed good relations with other T/C leaders, who appreciated his pro-Turkey EU accession positions in the European Parliament. If he only could meet these leaders face-to-face, on the island, he could convince them that his was the only workable plan. "Here's where I need the Embassy's help," he

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explained, to broker such meetings. In responding, we repeated our oft-stated intention not to become involved directly in the Cypriot presidential race. The Embassy was willing, however, to invite him to certain scheduled bi-communal events.

Comment:

10. (C) While Matsakis claims his popularity spans the political spectrum, most Embassy contacts believe he enjoys backing only among fringe DIKO voters and hard-line nationalists, now likely to vote Papadopoulos. University of Cyprus Political Science Professor J. Joseph (protect) estimates Matsakis could capitalize on this cadre's dissatisfaction with the status quo and dislike of a federal solution to steal as much as two percent of the vote on February 17, perhaps enough to keep the President from advancing into the February 24 second round. Such a scenario lends credence to the supposition that Papadopoulos and his wealthy backers will entice the firebrand Matsakis to abandon the race. But will he accept a payoff? In soliciting six-figure loans from not-that-close acquaintances, it would seem he needs the money. Yet Matsakis has displayed strong (albeit bizarre) convictions before, unafraid of arrest or other legal consequence. He also adores the limelight, which

would dissipate were he to take the money and run. Finally, Matsakis's delusional streak -- perfectly exemplified in his affirmation that "I can win this race" bereft of staff or financing -- makes us believe he might overplay his hand with Papadopoulos or his moneymen. We thus expect to see the MEP at next week's official candidate registration and his name on next month's ballot.

Biographical Information

¶11. (SBU) European Parliamentarian Marios Matsakis was born in Limassol in 1954. He left Cyprus in the early 1970s to pursue medical studies in Great Britain, obtaining a slew of undergraduate and graduate diplomas in fields ranging from microbiology to general surgery. Matsakis subsequently changed specialties, earning British and Greek degrees in forensic medicine, which he later practiced in Cyprus. Medical experts here consider him Cyprus's pre-eminent pathologist, and Embassy staff praised Matsakis's discretion and professionalism in investigating the July 2007 death of former Nicosia Defense Attache LTC Thomas Mooney.

¶12. (U) Professionally unsatisfied by a medicine-only career, Matsakis turned to politics upon completion of his studies. In 1996, he obtained a parliamentary seat on the Democratic Party (DIKO) ticket, winning re-election in 2001. As an MP, he sat on the Defense, Trade/Industry, Health, and Environmental committees, and developed a strong interest in human rights matters. Matsakis also participated in inter-parliamentary bodies like the Commonwealth Parliamentary Association. Midway through his second term, he became a Cypriot observer to the European Parliament, becoming a voting MEP upon Cyprus's accession to the EU in May 2004. He belongs to the Alliance of Liberals and Democrats for Europe (ALDE) group.

¶13. (C) "Mercurial" and "unpredictable" best describe Matsakis, although Embassy contacts and many in media prefer "crazy." While his professional accomplishments as a coroner and European Parliamentarian show dedication to craft and seriousness, his reckless antics, from removing a Turkish flag in the Buffer Zone to vandalizing HMG vehicles on the British Bases, reveal an adrenaline junkie who constantly pines for the limelight. His rap sheet merits special attention, peppered not only with civil disobedience charges linked to the aforementioned events, but also with purely criminal offenses. For example, most legal experts believe Matsakis escaped conviction on antiquities smuggling charges solely because delays in obtaining a search warrant allowed the MEP to remove suspect items from his home. Similarly, he avoided prosecution on extortion grounds -- allegedly, Matsakis offered to alter his investigatory findings in a police shooting in exchange for a bribe -- because a jury acquitted the officer involved, spurring Attorney General Petros Clerides to drop the charges against the MEP. Critics later blasted the AG for the legally dubious and seemingly political decision.

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¶14. (SBU) Matsakis and his long-time common-law wife live in Nicosia and have a nine year-old child. Rumors surfaced in 2006 that he had taken a Turkish lover, and the "Cyprus Mail" theorized that his anti-Ankara bent had softened as a result. He dismissed the allegations of infidelity as "mere journalistic gossip," however.
ZIMMERMAN